CLASSIFICATION SECOND

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UNITED LOFAX RE

TROPHATION TREPORT

CD NO.

COUNTRY China

DATE DISTR 3 HOV 25X1

SUBJECT

Communist Plan to Institute Controls over Precious Hetals

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SUPPLEMENT TO REPORT NO.

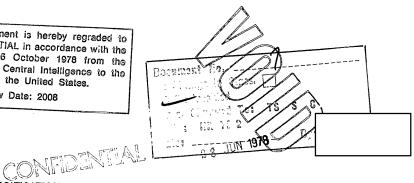
THIS IS UNEVALUATED INFORMATION

The Chinese Communist Committee of Finance and Economics is drafting a plan devised to control the possession and circulation of gold, silver, and other precious metals preserily in the hants of private individuals. The plan is not yet ready for implementation. Some insist that it should be put into effect by the beginning of 1951, while others prefer to wait for a general currency reform. The final decision rests with the higher Communist authorities. The ran includes the following points:

- a. A Metals Contri Bursan is to be established under the People's Bank of China.
- b. After a specified date, the possession of gold and silver and other precious metr.s by private individuals will be prohibited by law.
- c. A nolicy of receing the price of goli, silver, and precious netals at a low level will be instituted. The urpose will be to break the present list between comedity orices and the price of metals and thereby to change the traditional attitude of the Chinese people toward gold and ilver.
- d. Individed holders of gold, silver, and precious metals will be compelled to contert those assests into Jen Min Plac at a rate to be fixed by the People's Bank. After this conversion, the holding of precious metals will a punishable by law.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008



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